

**DEPARTMENT OF STATE**  
**P.A. 528 of 2002**

FULL-TIME EQUATED (FTE) POSITIONS/ FUNDING SOURCE	FY 2001-02 YEAR-TO-DATE	FY 2002-03 GOV'S REC.	FY 2002-03 YEAR-TO-DATE	CHANGES FROM FY 2001-02 YEAR-TO-DATE	
				AMOUNT	PERCENT
FTE Positions .....	1,973.3	1,847.8	1,847.8	(125.5)	(6.4)
<b>GROSS .....</b>	<b>179,368,400</b>	<b>179,828,000</b>	<b>180,055,800</b>	<b>687,400</b>	<b>0.4</b>
Less:					
Interdepartmental Grants Received .....	95,814,100	96,493,000	96,493,000	678,900	0.7
<b>ADJUSTED GROSS .....</b>	<b>83,554,300</b>	<b>83,335,000</b>	<b>83,562,800</b>	<b>8,500</b>	<b>0.0</b>
Less:					
Federal Funds .....	1,303,600	1,319,500	1,319,500	15,900	1.2
Local and Private .....	100	100	100	0	0.0
<b>TOTAL STATE SPENDING .....</b>	<b>82,250,600</b>	<b>82,015,400</b>	<b>82,243,200</b>	<b>(7,400)</b>	<b>(0.0)</b>
Less:					
Other State Restricted Funds .....	64,451,900	64,274,200	65,274,200	822,300	1.3
<b>GENERAL FUND/GENERAL PURPOSE ..</b>	<b>17,798,700</b>	<b>17,741,200</b>	<b>16,969,000</b>	<b>(829,700)</b>	<b>(4.7)</b>
<b>PAYMENTS TO LOCALS .....</b>	<b>69,800</b>	<b>69,800</b>	<b>69,800</b>	<b>0</b>	<b>0.0</b>

**FY 2002-03  
Change from  
FY 2001-02  
Year-to-Date**

**A. TRANSPORTATION FEE COLLECTION SERVICES**

Executive Order 2001-9 offset \$40,000,000 GF/GP with Michigan Transportation Fund (MTF) dollars for FY 2001-02. The budget for FY 2002-03 continues this at the same level of funding. The funding is applied toward the costs of collecting transportation-related fees that the Department of State performs on behalf of the Department of Transportation.

Gross	0
Restricted	0
GF/GP	0

**B. AUTO THEFT PREVENTION GRANT**

The Department of State is applying for a grant from the Auto Theft Prevention Authority under the Department of State Police. The budget includes this grant, although it has not yet been awarded. The Department of State will use the grant to cover staff expenses until an electronic document management and imaging system that will assist with vehicle look-up requests from insurance and law enforcement agencies is fully implemented.

Gross	100,000
Restricted	100,000
GF/GP	0

**C. BRANCH OFFICE OPERATIONS REDUCTION**

The budget includes a reduction in the line item for branch operations. The Department of State is expected to achieve the reduction by encouraging customers to use phone, mail, and Internet services in place of physical branch office visitation and by making adjustments in the schedules of seasonal employees. No layoffs or branch closings are anticipated as a result of this reduction.

Gross	(1,000,000)
GF/GP	(1,000,000)

**D. COMPLETION OF 1997 EARLY RETIREMENT PAYOUTS**

The budget includes a reduction to reflect the end of the five-year payouts of sick leave related to employees who retired under the 1997 early retirement legislation.

Gross	(211,800)
IDG	(137,500)
Restricted	(59,300)
GF/GP	(15,000)

**E. STAFF REDUCTIONS TO PAY FOR EMPLOYEE ECONOMICS**

The budget includes a reduction of 4.0 FTEs and associated funding to pay for employee economic adjustments.

FTE	(4.0)
Gross	(128,600)
GF/GP	(128,600)

**FY 2002-03  
Change from  
FY 2001-02  
Year-to-Date**

**F. UNDESIGNATED BUDGETARY SAVINGS**

Gross	(182,900)
GF/GP	(182,900)

The FY 2002-03 enacted budget includes a 1% GF/GP departmentwide reduction. The negative appropriation will be applied to specific line items through the legislative transfer process at a later date.

**G. UNDESIGNATED EARLY RETIREMENT SAVINGS**

Gross	(594,900)
GF/GP	(594,900)

The budget includes a GF/GP reduction to reflect savings from the early retirement option made available in 2002. In the Department of State, 221 employees participated in this option.

**H. VERTICAL DRIVER LICENSE AND PERSONAL IDENTIFICATION CARD**

Gross	1,000,000
Restricted	1,000,000
GF/GP	0

The budget includes funding from the State Services Fee Fund for the development and implementation of a vertical facing driver's license and personal identification card. Public Acts 553 and 554 of 2002 established the program and it will begin on July 1, 2003. The Governor vetoed this funding and the Legislature overrode the veto.

**I. PROGRAM TRANSFERS**

**1. Information Technology**

In the budget, 101.0 FTE positions are transferred to the new Department of Information Technology. A new appropriation unit is created within the Department of State budget, which includes \$21,044,700 Gross; \$1,989,600 GF/GP. This funding is appropriated in the budget for the new Department as an IDG from user charges.

FTE	(101.0)
Gross	0
GF/GP	0

**2. Historical Program**

Support services associated with the former Historical Program are transferred from the Department of State to the Department of History, Arts, and Libraries. This transfer includes 2.0 FTEs, who are an accountant and a legal advisor.

FTE	(2.0)
Gross	(261,800)
GF/GP	(261,800)

**FY 2002-03  
Change from  
FY 2001-02  
Year-to-Date**

**J. UNCLASSIFIED SALARIES**

Gross 17,300  
GF/GP 17,300

The budget includes a 2% increase to the FY 2001-02 level, from \$467,000 to \$476,300, for unclassified salaries. In addition, the annual salary of the Secretary of State is increased from \$124,900 to \$135,500, an 8% increase, effective January 1, 2003. Article V, Section 23 of the Michigan Constitution states that the salary of the Secretary of State may change only at the start of a new term of office. With the adoption of Proposal 02-1 on August 6, 2002, the salary for the Secretary of State will be determined by the State Officers Compensation Commission instead of by the Legislature in an appropriation bill.

**K. ECONOMIC ADJUSTMENTS**

Gross 2,030,100  
IDG 816,400  
Federal 15,900  
Restricted (218,400)  
GF/GP 1,416,200

Standard economic adjustments are applied for salaries and wages, total retirement, workers' compensation, building occupancy charges, and the removal of lump sum payments consistent with factors applied to all budgets. These adjustments include:

Item	Gross	GF/GP
Salaries and Wages	\$1,574,200	\$139,900
Retirement	138,500	16,200
Workers' Compensation	19,700	19,700
Building Occupancy Charges	1,037,700	1,299,500
Lump Sum Adjustments	(740,000)	(59,100)
Total	\$2,030,100	\$1,416,200

**L. OTHER ISSUES**

Gross (80,000)  
GF/GP (80,000)

The budget includes adjustments for one-time supplemental appropriations made in FY 2001-02.